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LETTER
FROM THE
Secretary of State,
INCLOSING A
REPORT
OF THE
DIRECTOR OF THE MINT,
SUGGESTING THE EXPEDIENCY OF SOME
ALTERATIONS IN ITS ESTABLISHMENT,
TO RENDER IT
LESS EXPENSIVE TO THE PUBLIC,
AND
MORE ACCOMMODATING TO DEPOSITORS.

20th December, 1796,
Referred to Mr. PAGE,
Mr. HAVENS, and
Mr. GOODRICH.

13th February, 1797,
Committed to a Committee of the whole House, on
Monday next.

8th December, 1797,
Committed to a Committee of the whole House, on
Wednesday next.

[Published by order of the House of Representatives.]

DEPARTMENT OF STATE,
December 19, 1796.

SIR,

BY the direction of the President of the United States, I have the honor to enclose a report of the Director of the Mint, suggesting the expediency of some alterations in its establishment, to render it less expensive to the public, and more accommodating to depositors. The report is accompanied with statements of the gold, silver and copper coins, issued from the Mint, from its commencement to the 24th of the last month, accounts of the gold and silver bullion, which has been deposited, and an account of wastage, and a deficit in the silver coinage, which require an appropriation of two thousand eight hundred and twenty dollars and seventy one cents, to reimburse depositors.


I am, with great respect,

Sir,

Your most obedient Servant,

TIMOTHY PICKERING.

*The Speaker of the House
of Representatives of
the United States.*



MINT OF THE UNITED STATES,

November 29, 1796.

SIR,

I HAVE the honor of inclosing, for the President of the United States, my annual Report on the State of the Mint, with the abstracts referred to therein.

With sentiments of esteem and respect,

I remain,

SIR,

Your most obedient, and very humble Servant,

ELIAS BOUDINOT.

To the Secretary of State.





R E P O R T.

*THE DIRECTOR of the MINT of the UNITED STATES,
respectfully reports to the President of the United States
on the state of the MINT—*

THAT during the experience of twelve months, he has turned his attention (as far as has been in his power) to the institution under his care. He has seen with regret an opinion generally prevailing, that the establishment is unnecessarily expensive, and less productive than was rationally expected by its advocates and friends.

The Director finding some foundation for the charge, has endeavored to discover the cause, as nothing appears in the general nature of the institution, to warrant the idea.

The issue of the enquiry is, that the extraordinary expences attending the Mint, are in a great measure, owing to its original plan and the principles on which it was established. Among others, the whole coinage, including the refinement of the precious metals, was directed by law to be executed at the public expence, the depositor being fully indemnified from all charges whatever: On this principle, not only the original cost of the works, and the salaries of the stated officers, fall on the public; but also the whole amount of the workmanship, with the alloy, wastage and contingent losses.

The want of experimental knowledge in the business at the first establishment of the Mint prevented any tolerable precise estimate of the expences necessarily attending the process; but soon after the commencement of the business, it was found impracticable to proceed with propriety, unless an addition was made to the establishment, by the appointment of a Melter and Refiner.

This important and necessary officer, is not known in foreign Mints, as the precious metals are there generally

deposited of the proper standard, or above it; or they are purchased by the Mint, and become public property; there being professional refiners in plenty of the Mint, whose business it is to purify metals under standard; but there being no such artists in this city who follow the business, it became indispensably necessary to execute this service in the Mint.

This circumstance was not foreseen, or if foreseen, was considered as included in the duties of the Assayer; but the necessity of so essential a check on that officer, forbade this measure, had it been otherwise practicable. This added considerably to the annual expenses of the Mint.

Formerly the Director could not make any charge for this process, against depositors; the whole expense therefore fell on the public. Thus on assaying one deposit of about 90,000 oz. of silver bullion, it turned out near 24,000 oz. under standard; to refine which, it cost the United States upward of 5000, so that the depositor really gained that sum, by bringing his bullion to the Mint. This operated very unequally among depositors. The citizen who brought bullion in this debased state, to the Mint, received as much coin for the standard silver therein, as he whose bullion was previously refined equal to the standard, and ready for coining at a very trifling expense.

Again, the institution of the Mint, without any appropriation of capital, either to purchase the precious metals in bullion, anticipate payments due on deposits, or to coin for the public, has been another cause of very considerable expense. Depending upon depositors alone for the precious metals, it became necessary for their encouragement and satisfaction to coin every deposit as soon as possible after it came into the Treasury of the Mint, to prevent its remaining unproductive to the depositor; by which means the clippings and grains were obliged to be melted and coined as they arose, often three or four times for one deposit.

Thus the melting, refining and coining a deposit of 200 oz. of silver, or 20 oz. of gold, would cost the public nearly as much as 1000 oz. of either, and a much

greater proportional wastage ; whereas could the bullion be purchased for the public at the market price, and kept in the vaults till a large quantity might be coined at once or a capital of about ten thousand dollars be allowed to the Mint, so as to anticipate the payments to depositors without being obliged to an immediate coinage on every occasion, a very great public saving would take place, not only as to the wastage, but in the expenditure of the materials and labour used in the process, and no injury done to the United States, but in the loan of the money for a short time. In a word, the difference would be much the same, as between the wholesale merchant and the huckster.

This measure would also have a tendency to fix the price of bullion, and indemnify the public for some part of the expence of coinage. The only question that would arise is, whether, on the principles of political economy, it would be a prudent measure on the part of government ? Suppose the expences of coinage, including wastage, to be fixed at three per centum to the depositor, while in foreign countries, it costs nothing. The consequence would be, that bullion in America, might vary its price three per cent. according to the balance of trade ; while bullion in those countries must be supposed invariable in its price, let the balance of trade stand as it will. Bullion then, in those countries will always be at the highest price it ever can be at in America, since it is the price of coin ; but in America it may be three per cent. lower. If therefore the United States, by coining free of all expence, contribute to keep the price of bullion higher than it is in countries where the coinage is paid for, a voluntary expence is created, of which there can be no just reason to complain.

A representation of some of these difficulties, with the dangerous situation of the Mint, for want of protecting laws to secure the instruments of coinage, the metals and the coin, as also to prevent counterfeits, has been heretofore made by the officers of the Mint, with but little other success, than a resolution of Congress, enabling the

Director to retain the expence of refining the precious metals under standard ; but the wastage, alloy and coinage, are still dead charges on the public Treasury.

While therefore this policy, on the whole, is considered as beneficial to the United States, the complaints against the Mint for its heavy expences to the public, are without solid foundation, as it is impossible to carry on an institution of this nature, under these circumstances, and which requires from 15 to 20 workmen and labourers to attend it, without great expence. Add to this, that the alloy of silver and copper, with the loss by necessary wastage, must unavoidably rise to a considerable annual amount.

But notwithstanding these, and other difficulties attending an infant institution, especially the late great advance in the prices of materials and labour, the aggregate expences of the Mint, are greatly reduced, either from the superior knowledge of the persons employed, gained by experience, or from new arrangements found to be more advantageous than those made on the spur of the occasion. This will appear more evident, by a review of the progressive reduction of the contingent expences, in the quarterly accounts rendered into the Treasury Department, and it is hoped that there will be a further progress in this desirable economy.

When the present Director entered upon the administration of the Mint, there was no appropriation of money for the purchase of copper, for the coinage of cents. This he clearly foresaw would prove a source of further expence, by often leaving the workmen without employ. He made application to Congress by their committee, on this subject ; but all that was obtained was thirteen thousand dollars, which was coined into cents, and returned into the public Treasury, or remitted for the purchase of copper, before the rising of Congress the last spring. No further appropriation was made, till it was too late to procure the necessary importation of copper for the summer's coinage, whereby much time has been lost, and some considerable ex-

pence of workmen has been added to the sumner's account.

It is now hoped, from the present arrangement, no such inconvenience will arise hereafter; but a continual and ample supply of copper coinage be produced adequate to the public wants.

As the laws relative to the Mint now stand, the officers are obliged to pay to each depositor the coins arising from his deposit, in strict order, and to reserve three pieces of coin from each mass; yet no appropriation has been made to replace the reserves, or to make good the wastage: it is therefore impossible for the officers of the Mint to comply with the law; and the depositors complain of being kept out of their property, till provision is made by Congress for their relief.

By a number of new half-johannes brought to the Mint for assaying, said to have been coined in the United States, it appears that a coinage for that purpose is carried on in some state in the Union. Some of these are found to be under standard in their quality, and between two and three penny-weights less than their true weight. These are facts which the Director thinks it his duty to communicate to the President.

From the various experiments made since the establishment of the Mint, it is found unnecessary to make use of silver in alloying of gold, unless it is for the purpose of beautifying the coin; in which case it should be composed at the proportion of one-third silver to two-thirds copper.

By the following abstracts of the bullion and coin received and issued from the Mint, since its first establishment, may be seen, as well the nature of the deposits made, as the coins returned to the Treasury, and the dates of the receipts and issues to this day, with the amount of the copper coinage.

From this it appears, that there is due for wastage, during that period, the quantity of fifteen hundred

and ninety-nine ounces, sixteen penny-weights and fifteen grains of silver, equal to eighteen hundred and forty-five dollars, ninety-five cents and five mills; besides a deficit of eight hundred and forty-four ounces, seventeen penny-weights and five grains of silver, equal to nine hundred and seventy-four dollars, seventy-five cents and five mills; making in the whole two thousand eight hundred and twenty dollars and seventy-one cents; for which an appropriation ought to be made by law, to satisfy a deficient deposit.

The Director thinks it necessary to mention, in exculpation of the former officers of the Mint, that by a report made on this subject, it appears that there is yet a considerable quantity of old pots and test bottoms, from which it is expected that nearly the amount of the deficient silver, as stated above, will be extracted.

ELIAS BOUDINOT.

MINT *of the* UNITED STATES.

29th November, 1796.

ABSTRACT (A.)

A Statement of the Denomination and Value of Gold Coins, issued from the Mint of the United States, from the commencement of the establishment, to the date hereof.

<i>Period when issued.</i>	<i>Denomination.</i>			<i>Value.</i>
	<i>Eagles.</i>	<i>Half Eagles.</i>	<i>Quarter Eagles.</i>	<i>Dolls.</i>
From 31 July to 30 Sept. 1795, inclusive	1,297	8,707	. .	56,505
1 Oct. 31 Dec. . . .	1,498	. .	. .	14,980
1 Jan. 31 Mar. 1796, .	2,788	. .	. .	27,880
1 April 30 June, . . .	3,292	780	. .	36,820
1 July 30 Sept. . . .	. .	2,619	66	13,260
Total	8,875	12,106	66	149,445

MINT of the UNITED STATES,

Treasurer's-Office, November 24, 1796.

NICHOLAS WAY.

ABSTRACT (B.)

A Statement of the Denomination and Value of Silver Coins, issued from the Mint of the United States, from the commencement of the establishment, to the date hereof.

<i>Period when issued.</i>	<i>Denomination.</i>					<i>Value.</i>	
	<i>Dolls.</i>	<i>Half Dolls.</i>	<i>21. Dolls</i>	<i>Dimes</i>	<i>Half Dimes</i>	<i>Dolls.</i>	<i>Cts</i>
From 1 Oct. 1794, to 30 Sept. 1795, in- clusive	126,553	323,144	.	.	25,856	289,417	80
From 1 Oct. 1795, to 31 Dec.	78,238	.	.	.	60,560	81,266	.
From 1 Jan. 1796, to 31 March, 1796	7,717	.	.	17,950	6,840	9,854	.
From 1 April to 30 June	20,404	.	5,894	4,185	3,390	22,465	50
From 1 July to 30 Sept.	31,926	.	.	.	.	31,926	.
From 1 Oct. to this day	8,103	.	.	.	.	8,103	.
Total	272,941	323,144	5,894	22,135	96,646	443,032	30

MINT of the UNITED STATES,

Treasurer's-Office, Nov. 24, 1796.

NICHOLAS WAY.

ABSTRACT (C.)

A Statement of the Denomination and Value of Copper Coin, issued from the Mint of the United States, from the commencement of the establishment to the date hereof.

<i>Period when issued.</i>	<i>Denomination.</i>		<i>Value.</i>	
	<i>Cents.</i>	<i>Half Cents.</i>	<i>Dolls.</i>	<i>Cts.</i>
From March 1, 1793, to Dec. 31, 1795, inclusive	1,066,033	142,534	11,373	.
From Jan. 1, 1796, to March 31, 1796	501,500	109,000	5,560	.
April 1, . . . June 30 .	109,825	5,090	1,123	70
July 1, . . . to this day .	363,375	1,390	3,640	70
Total	2,040,733	258,014	21,697	40

MINT of the UNITED STATES,

Treasurer's-Office, November 24, 1796.

NICHOLAS WAY.

ABSTRACT (D.)

A Statement of the gross and standard Weight of Gold Bullion, deposited at the Mint of the United States, for coinage, from the commencement of the establishment, to the date hereof.

When deposited.		Description of Bullion.	Gross Weight. oz. dwts. grs.			Standard Wt. oz. dwts. grs.		
1795.	Feb. 12	Ingots . . .	130	4	9	128	-	18
	March 24	Ditto . . .	21	13	12	21	8	12
	May 18	Chain . . .	27	-	-	26	13	-
	22	Ingots . . .	55	2	12	53	1	2
	25	Dust . . .	21	5	-	17	12	15
	July 23	Ditto . . .	723	9	-	600	5	-
		Ditto . . .	877	6	-	727	18	7
	31	Spanish Coins . . .	82	1	-	81	18	20
	August 5	Ingots . . .	63	17	-	63	17	-
	6	Port. and Portugal Coin	281	-	-	281	-	-
	12	British Coins . . .	29	8	12	29	8	12
	25	Ditto and Portugal ditto	275	8	-	274	12	18
	Sept. 10	Dust . . .	214	17	16	214	17	16
	17	Portuguese and British Coin	225	-	-	225	-	-
	-	Dust . . .	27	8	-	27	8	-
	1	Portuguese Coins . . .	450	-	-	450	-	-
	Oct. 1	Ingots . . .	215	-	12	215	-	12
	-	Ditto . . .	54	17	8	54	17	8
	9	Ditto . . .	35	6	-	35	14	-
	Nov. 5	Ditto . . .	27	5	12	27	4	12
	12	Dust . . .	227	6	-	190	7	6
	-	Ingots . . .	78	17	10	78	14	3
	16	Dust . . .	168	7	-	141	19	12
	-	Ditto . . .	240	8	-	204	6	12
	18	Ingots . . .	27	11	12	26	6	6
	Dec. 1	Clippings . . .	24	17	-	25	1	6
	11	Ingots . . .	34	10	9	33	14	15
	-	Ditto . . .	80	9	12	80	-	21
Carried over			4,719	16	16	4,336	18	17

(D.) CONTINUED.

When deposited.		Description of Bullion.		Gross Weight. oz. dwts. grs.			Standard Wt. oz. dwts. grs.		
		<i>Brought up</i>		4,719	16	16	4,336	18	17
1795.	Dec.	12	Ingots . .	348	16	6	348	16	6
1796.	Jan.	22	Ditto . .	54	11	12	54	14	3
		25	Ditto . .	27	5	6	27	14	12
		28	Ditto . .	19	1	-	20	7	-
	Feb.	6	Ditto . .	56	6	12	56	6	12
		15	Ditto . .	54	-	-	47	17	6
		19	Ditto . .	32	11	12	32	18	18
	March	1	Dust . .	667	17	-	619	-	11
		5	Medal, Snuff-box, &c.	27	5	12	26	4	14
		26	Ingots . .	47	-	12	47	-	12
	April	16	Dust . .	315	15	-	278	14	-
		25	Ingots . .	27	1	6	27	1	6
	May	5	Ditto . .	20	8	12	20	8	12
		6	Ditto . .	20	9	-	19	19	-
		7	Dust . .	294	10	-	250	19	16
		—	Ditto . .	905	3	-	838	4	12
		31	Ditto . .	583	8	-	477	6	12
	June	11	Ingots . .	156	11	-	142	6	10
		25	Ditto . .	70	14	-	71	5	22
	July	5	Ditto . .	34	11	12	34	11	12
		11	Ditto . .	20	9	-	18	3	6
		—	Ditto . .	343	9	-	373	10	23
		12	Ditto . .	84	3	-	84	3	-
		14	Ditto . .	50	17	-	39	5	20
		21	Ditto . .	32	13	-	32	13	-
	Sept.	8	Ditto . .	86	1	8	86	-	18
	Oct.	11	Dust . .	973	8	-	830	15	10
		19	Ingos . .	151	4	8	128	11	-
		28	Ditto . .	34	11	18	34	11	18
	Nov.	10	Ditto . .	20	-	-	16	15	5
		—	Ditto . .	49	19	6	48	17	3
		12	Ditto . .	291	12	-	314	15	21
		24	Ditto . .	49	4	20	50	2	-
Total				10,670	10	10	9,837	-	14

MINT of the UNITED STATES,

Treasurer's-Office, November 24, 1796.

NICHOLAS WAY, Treasurer.

ABSTRACT (E.)

A Statement of the gross and standard Weight of Silver Bullion, deposited at the Mint of the United States, for coinage, from the commencement of the establishment, to the date hereof.

<i>When deposited.</i>		<i>Description of Bullion.</i>	<i>Gross Weight.</i> <i>oz. dwts. grs.</i>			<i>Standard Wt.</i> <i>oz. dwts. grs.</i>		
1794.	July 18	Coins of France	94,179	-	-	69,692	8	-
	August 22	Ingots .	1,479	5	-	1,479	5	-
	—	Ditto .	255	5	-	255	5	-
	—	Ditto .	1,132	10	-	1,132	10	-
	—	Ditto .	40	13	-	40	13	-
	23	Coins of Spain	19,271	15	-	19,271	15	-
1795.	January 1	Ingots .	93,298	5	-	95,791	5	-
	May 9	Ditto .	15,744	-	-	16,106	19	-
	18	Ditto .	4,177	-	-	4,287	10	-
	30	Ditto .	7,039	5	-	7,206	-	-
	June 10	Ditto .	11,170	10	-	11,399	13	-
	12	Coins of France	527	10	-	395	-	-
	13	Ingots .	14,546	10	-	14,78	7	-
	July 9	Ditto .	1,981	-	-	1,966	14	-
	—	Ditto .	12,085	5	-	12,400	6	-
	—	Ditto .	11,718	5	-	12,066	6	-
	—	Ditto .	12,027	15	-	12,407	12	-
	—	Ditto .	11,644	15	-	1,002	18	-
	Sept. 21	Ditto .	6,961	5	-	17,360	7	-
	—	Ditto .	16,795	-	-	11,114	12	-
	—	Ditto .	16,999	10	-	17,426	8	-
	Oct. 10	Coins of France	299	5	-	217	18	-
	24	Ditto .	1,029	-	-	748	8	-
	Nov. 21	Ingots .	710	3	-	715	-	-
<i>Carried over</i>			365,113	11	-	346,265	9	-

(E.) CONTINUED.

When deposited,	Description of Bullion.	Gross Weight. oz. dwts.grs	Standard Wt. oz dwts.grs.
	<i>Brought over</i>	365,113 11 -	340,265 19 -
1795. Dec. 21	Ingots -	1,016 5 -	1,037 4 -
1796. Feb. 3	Ditto -	216 4 -	223 7 -
March 14	Ditto -	357 10 -	352 2 -
28	Ditto -	1,275 15 -	1,286 7 -
April 25	Ditto -	4,495 18 -	4,980 13 -
May 23	Ditto -	8,454 5 -	9,243 18 -
30	Ditto -	341 10 -	331 11 -
June 23	Ditto -	8,048 10 -	8,758 17 -
July 20	Ditto -	185 - -	204 10 -
August 11	Ditto -	8,225 5 -	8,995 5 -
23	Ditto -	2,326 10 -	2,378 9 -
29	Ditto -	6,748 10 -	7,409 18 -
Sept. 15	Ditto -	218 15 -	229 13 -
24	Ditto -	6,010 - -	6,596 5 -
Nov. 12	Ditto -	3,859 10 -	4,208 18 -
	Total	416,892 18 -	402,502 16 -

MINT of the UNITED STATES,

Treasurer's-Office, November 24, 1796.

NICHOLAS WAY.

ABSTRACT

DR. CHIEF COINER, his account of Silver, in Account

				Standard Wt.			Value.			
				oz.	drams.	grs.	dolls.	cts.	ms.	
1795.	Sept. 30	To Silver Bullion delivered him for coinage, from the commencement of the Mint establishment to this day			120,17	3	-	369,42	5	
	Dec. 31	— Silver Bullion, delivered him in the quarter ending this day			12,40	2	-	14,316	46	-
1796.	March 31	— Ditto	ditto	ditto	4,55	6	-	5,285	56	-
	June 30	— Ditto	ditto	ditto	14,55	2	-	16,795	9	-
	Sept. 30	— Ditto	ditto	ditto	34,572	1	-	39,891	73	5
	Oct. 3	— Ditto	ditto	ditto	365	5	-	421	44	-
				386,65	5	-	446,141	74	-	
	Nov. 24	To Balance due Treasurer of the Mint			844	17	5	974	75	5

(F.)

Current with the TREASURER of the MINT. CR.

		Standard Wt.			Value.		
		oz.	dwt.	grs.	dolls.	cts.	m.
1795.							
Sept.	30	By Silver Coins received from him, from commencement of Mint establishment to this day - - -			250,828	15	4
					189,417	80	-
Dec.	31	Silver Coins received from him in the quarter ending this day - - -			70,430	10	16
					81,266	-	-
1796.							
March	31	Ditto ditto ditto			8,540	2	16
					9,854	-	-
June	30	Ditto ditto ditto			19,470	2	-
					22,465	50	-
Sept.	30	Ditto ditto ditto			27,669	4	-
					31,926	-	-
Oct.	17	Ditto ditto, this day			7,022	12	-
					8,103	-	-
Nov.	19	Allowance for wastage, at the rate of 2grs. per oz. (in pursuance of a warrant of the Director, dated this day) for melting, refining and coining 383,961oz. 6dwts. 12grs. being the weight returned by him in coin as above -			1,599	16	15
					1,845	95	5
		Silver Coins received from him, from 16 May, 1795, to this day, retained by me for the inspection of Commissioners appointed by law to make assays of reserved pieces at the Mint - - -			95	6	16
					110	-	-
		Silver Bullion received from him this day, in pursuance of a warrant of the Director			154	18	-
					178	73	-
24		Balance due Treasurer of the Mint - - -			844	7	5
					974	75	5
		386,656	5	-	446,141	74	-

MINT of the UNITED STATES,
Treasurer's-Office, Nov. 24, 1796.

NICHOLAS WAY.